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BEFORE THE ARIZONA CORPORATION

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Arizona Corporation Commission

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COMMISSIONERS

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Barry Wong

AZ CORP COMMISSION
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IN THE MATTER OF THE APPLICATION
OF ALLTEL COMMUNICATIONS, INC.
FOR DESIGNATION AS AN ELIGIBLE
TELECOMMUNICATIONS CARRIER
PURSUANT TO SECTION 214(e)(2) OF
THE COMMUNICATIONS ACT OF 1934

DOCKET NO. T-03887A-03-0316

**ALECA'S PROPOSED ISSUES FOR
DISCUSSION AT THE OCTOBER
20, 2006, PROCEDURAL
CONFERENCE AND NOTICE OF
INTENT TO PARTICIPATE AS
INTERVENOR**

The Arizona Local Exchange Carriers Association ("ALECA"),¹ by and through its undersigned counsel, respectfully submits for discussion at the October 20, 2006, Procedural Conference in the above-captioned matter, the issues listed below which ALECA believes must be addressed by the Commission in order to rule on the recent request of Alltel Communications, Inc., ("Alltel") in this docket. These issues are raised by the unusual procedural context of this case—Alltel's August 25, 2006, request to withdraw its December 15, 2004, letter declining its designation as an Eligible Telecommunications Carrier ("ETC") that was conditionally granted in Decision 67403. Further, ALECA confirms for the record it's intent to participate in this case as an intervenor.

I. RELEVANT PROCEDURAL HISTORY.

On May 19, 2003, Alltel filed an application with the Arizona Corporation Commission ("Commission") requesting designation as an ETC in order to be eligible to

¹ The members of ALECA which are regulated by the Arizona Corporation Commission consist of Accipiter Communications, Arizona Telephone Company, Citizens Utilities Rural, Copper Valley Telephone, CTC White Mountains, Midvale Telephone Exchange, Navajo Communications Company, South Central Utah Telephone Association, Southwestern Arizona Telephone Company, Table Top Telephone Company, and Valley Telephone Cooperative, Inc. ALECA also includes four tribally-owned telephone companies which are not subject to the Commission's regulation.

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1 apply for and receive federal support from the Federal Universal Service Fund. On
2 August 21, 2003, ALECA was granted intervention in this case, and ALECA's status as
3 an intervenor remains effective. On November 2, 2004, the Commission issued
4 Decision 67403 that granted Alltel's application for ETC status conditioned upon
5 Alltel's compliance with specific conditions set forth in the decision. However, on
6 December 15, 2005, Alltel filed a letter with the Commission "declining" its ETC
7 designation in the State of Arizona on grounds of the alleged "burdens created by the
8 specific conditions required by the Decision" On August 25, 2006, Alltel filed a
9 letter with the Commission withdrawing its December 15, 2005, letter declining ETC
10 designation and agreed to comply with the conditions of the ETC designation established
11 in Decision 67403.² On September 11, 2006, the Commission's Utilities Division Staff
12 ("Staff") filed a letter notifying Alltel that Staff would not act on Alltel's August 25,
13 2006, letter and that it would request a procedural conference. A procedural conference
14 was subsequently set for October 20, 2006.

15 It is important that the procedural history of this case be considered together with
16 the concurrent procedural history of the application of WWC License LLC ("WWC") for
17 designation as an ETC in Docket No. T-04248A-04-0239. On March 26, 2004, WWC
18 filed its application requesting ETC designation. On October 27, 2004, ALECA was
19 granted intervention in the WWC case. On December 30, 2004, Staff filed its initial
20 Staff Report. On March 17, 2005, the Federal Communications Commission ("FCC")
21 issued a Report and Order (FCC 05-46) which contained minimum requirements for
22 ETC designation, and which had a direct bearing on WCC's pending application. On the
23 basis of FCC's Report and Order, Staff issued a Supplemental Staff Report dated April
24 15, 2006, which addressed the requirements the FCC established for the states to take
25 into consideration in ruling on requests for ETC designation. On August 23, 2005, the
26 Administrative Law Judge ("ALJ") docketed a Recommended Opinion and Order

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28 ² Although ALECA had been granted intervenor status in this docket, ALECA did not receive copies of
either the September 15, 2005, or September 11, 2006, letters.

("ROO") and the matter was set for consideration by the commissioners at the September 7 and 8, 2005, Open Meeting. The ROO adopted Staff's recommendations relating to the more stringent conditions that should be imposed on WWC in light of the FCC Report and Order. However, the ROO was pulled from consideration at the Open Meeting, and the docket remains open today.

In her October 3, 2006, Procedural Order, the ALJ acknowledged the interrelationship between the Alltel and WWC dockets stating that "the parties should be prepared to discuss, in association with filings made in this docket, whether Alltel owns WWC, and any implications that filings in Docket No. T-04248A-04-0239 may have for this matter, including the Recommended Opinion and Order filed on August 23, 2005." She also cites to a July 19, 2005, FCC Memorandum Opinion and Order that authorized an application for the transfer of control of FCC licenses from WWC to Alltel. Moreover, in its Request for Acceptance of Late-Filed Exceptions filed with the Commission on February 27, 2006, WWC (which defined itself as Alltel for purposes of that filing) stated in a footnote that it merged with Alltel Corporation and is now a wholly owned subsidiary of Alltel.

II. ISSUES TO BE ADDRESSED IN THIS CASE.

ALECA believes that the following issues must be addressed in order for the Commission to rule upon Alltel's request to resurrect its ETC designation:

1. Alltel should specifically clarify the legal and business status of WWC, including whether WWC is currently providing service to Arizona customers in its own name and whether it intends to do so in the future.
2. What is the effect of Alltel's December 15, 2005, declination of its ETC designation? Specifically, by declining the designation conditionally granted in Decision 67403, did Alltel effectively nullify and void the decision, thereby requiring that Alltel reapply for ETC designation?

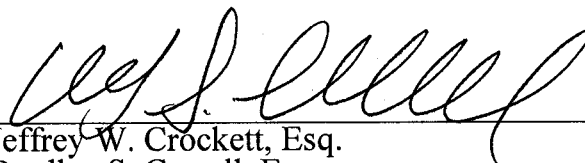
3. If the Commission determines that Decision 67403 remains effective, should the Commission amend that decision to take into account the more stringent conditions that are derived from the FCC Report and Order and that were subsequently included in the ROO issued (but never approved) in the WWC case?
4. What is the status of the WWC docket in light of the merger of WWC and Alltel? Does Alltel intend for its ETC designation to apply to WWC, or does WWC intent to pursue the approval of the ROO issued in Docket T-04248A-04-0239? If so, can a parent and a subsidiary (if that is, in fact, the current relationship between Alltel and WWC) possess separate ETC designations with different terms and conditions for the same state where the companies are providing service under a single name brand?
5. Should the Alltel and WWC dockets be consolidated?
6. Alltel should provide an update as to the history and procedural status of the complaint filed against WWC at the Colorado Public Utilities Commission in 2004 relating to WWC's ETC designation in Colorado.
7. Alltel should provide information regarding the discussions it had with Staff that were referenced in its August 25, 2006, letter. If these discussions are settlement negotiations, ALECA (as an intervenor in this case) would like to participate in any future negotiations.
8. Is an evidentiary hearing required to address these issues?

With this filing, ALECA intends only to highlight issues which must be addressed in this docket, and not to set forth its position on any issue. In fact, there may be other issues which are appropriate for resolution in this case which have not been raised in this

1 filing. Thus, ALECA reserves the right to raise additional issues and to assert its
2 position on any issues raised in this docket at the appropriate time.

3 RESPECTFULLY submitted this 18th day of October, 2006.

4 SNELL & WILMER

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10 ORIGINAL and thirteen (13) copies filed with Docket
11 Control this 18th day of October, 2006.

12 COPY of the foregoing was hand-delivered
13 this 18th day of October, 2006, to:

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